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Reagan to Warn Marcos on Peril Of Overthrow

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President Reagan has sent his close friend Sen. Paul Laxalt (R-Nev.) to see Philippine President Ferdinand E. Marcos, bearing what one administration official called "an extremely blunt message of warning" that the Marcos regime is in danger of being overthrown.

The official said that assessments by the Central Intelligence Agency and a special national security planning group point to the potential of the Philippines, with two vital U.S. military bases, becoming "this administration's Iran" unless Marcos takes immediate steps to combat a growing communist insurgency.

One official called the message that Laxalt is carrying "the bluntest presidential message ever delivered to a friend." He said that Marcos would be told that he was "screwing up the fight against the insurgency" and that his government was too preoccupied with financial gain and domestic politics rather than combating the increasingly powerful New People's Army.

Laxalt is expected to give Reagan a frank assessment on the mood and

capacity of the 68-year-old Marcos, who was elected president in 1965 and has remained in office since, including a 10-year period during which he ruled by martial law. Administration officials said that the question of whether the United States should back an alternative to Marcos had been "discussed within the government" but not resolved.

Among countries in which U.S. security interests rank high, the Philippines were identified in the quarterly CIA Watch Report as the country with the greatest potential for instability. CIA Director William J. Casey and national security affairs adviser Robert C. McFarlane have emphasized to the president the precarious position of the Philippines, officials said.

They said that the warning of U.S. officials was underscored last week by Singapore Prime Minister Lee Kuan Yew, an ally of the United States, in a meeting with Reagan at the White House.

In an interview with The Washington Post during his visit here Lee called the Philippines "a source for anxiety," said "the population is in distress" and predicted that the insurgents will grow "quite a bit stronger" if economic problems are not resolved.

The White House announced the Laxalt mission yesterday after The Washington Times published an article about the trip.

"Sen. Laxalt is undertaking a visit to the Philippines, an ally of long standing at the personal request of the president," said Michael Guest, an assistant White House press secretary. "He departed Saturday as a close personal friend of President Reagan. He will meet with President Marcos."

Laxalt, general chairman of the Republican Party and chairman of three Reagan presidential campaigns, announced on Aug. 19 that he would not seek a third term and told Reagan he would be available for sensitive trouble-shooting assignments. Some conservatives think that a successful performance by Laxalt in this role would help make him a vice-presidential contender in 1988. But the thrust of Laxalt's trip was primarily policy-oriented.

Casey, who met with Philippine officials in Manila for three days last May and reportedly urged Mar-

cos to hold immediate presidential elections, has been warning for months that the regime is in danger. In the agency, sources said, the policy of reassessment has been pushed by a former Manila station chief who has been promoted to head of the CIA's East Asia division.

Last week, Rep. Dave McCurdy (D-Okla.), a member of the House Intelligence and Armed Services committees, said that the CIA and the Defense Intelligence Agency

had warned that present trends in the Philippines are "really downward and very negative" and headed for "catastrophe."

At stake is the security of Clark Air Base and Subic Bay Naval Base, the two biggest U.S. military installations outside the United States. The United States has lease of the bases until 1991, but Assistant Secretary of Defense Richard L. Armitage said that "we are seriously looking at alternatives" because of the instability of the government. The potential loss of these bases is of concern because of Soviet naval presence at Cam Ranh Bay in Vietnam, once an important U.S. base.